

Deputies' Meeting

Tuesday, 19 August 1952

ILLEGIB

PRESENT: General Smith, Messrs. Dulles, Wisner, Wolf, Becker, [ ]

25X1

General Smith:

A. Noted a letter from Acting Secretary of the Army Korth and stated that the Army was making a strong plea for reimbursement for General officers assigned to CIA in order that such officers would not be charged against the ceiling placed on that Department by the Davis Amendment. After some discussion, the Director stated that (1) [ ] was presently the only officer assigned to CIA in this category since he did not desire to include himself in view of the fact that the National Security Act of 1947 provides that the Director of Central Intelligence, if an active officer in the Armed Forces, would be paid his regular pay by his parent service with any additional pay due being made by CIA and, while this could probably be changed under the Davis Amendment, he did not desire to do so; (2) at the present time, we were not budgeted to pay for all officers on duty with this Agency; (3) in reply to a comment by Mr. Wolf that reimbursement to Defense had been and was the subject of discussion with that Department, directed that DD/A personally see Acting Secretary Korth and/or Secretary Pace on this matter and discuss the following points: (a) offer to reimburse Defense for General officers assigned to CIA, exclusive of the DCI; (b) request authority for the DCI to make spot promotions to General officer rank since under the provisions of the Davis Amendment officers on duty with other Governmental agencies and for whom the Department of Defense received reimbursement are not chargeable to over-all Defense officer strength ceilings; (c) offer to reimburse Defense for all officers on duty in Washington. In this connection, the Director stated that reimbursement mentioned above was contingent on our ability to "pay for it;" (d) there would be included in certain proposed legislation now being drafted by Legal Counsel an "inconspicuous squib" that officers assigned to this Agency from the Department of Defense in support of missions assigned by the NSC and Defense would not be charged against the officer strength ceiling of the parent department concerned, i.e. Army, Navy, Air.

B. Referred to the proposed JCS paper on Delineation of Responsibility for [ ] Activities and noted that this paper provided for "the establishment of new facilities in this field as a Theater Commander might direct." In this connection, the Director referred in particular to such a statement made on page 2. After some discussion wherein Mr. Wisner pointed out that similar statements were made throughout the paper, the DCI directed that in each instance a saving clause be added to prevent the Theater Commander and/or the Department of Defense from placing requirements on this Agency which it could not meet. In this connection, the Director specifically referred to personnel and material and also stated that (1) the DCI would have authority to actually and in fact approve all such requirements placed on CIA by a Theater Commander or the Department of Defense in [ ] (2) the DCI's authority

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General Smith (Cont'd.)

to approve or disapprove additional requirements <sup>laid</sup> ~~laid~~ on by a Theater Commander for the Department of Defense in this matter would be made a part of the JCS paper in question.

25X1 C. Stated that [ ] had discussed his personal situation with him and had indicated a desire to go to the Far East. After some discussion wherein the Director stated it might be possible for [ ] to make a tour 25X1 of that area as [ ] had done in Europe, he directed that DD/P discuss this matter with [ ] in the next few days and advise him that 25X1 we did have a job which he could do; however, in the final analysis, it was 25X1 incumbent upon [ ] to make up his own mind and "he could take it or leave it." *Report made to Dir on 27 Aug. 52.*

25X1 D. Asked what was being done in the case of [ ] and, after some discussion, 25X1 stated that (1) he could be eased out in any way it was desired; (2) if [ ] 25X1 had any feeling whatsoever about his release he (the Director) would be "glad to see him."

Mr. Dulles:

25X1 A. Noted that the JCS and State were meeting on Wednesday to discuss priorities [ ] and we had not been invited to attend. In this connection, he stated he believed a total of two equipped divisions would be requested and also the deployment of these divisions if approved would also be discussed. The Director stated that he had "spoken his piece" on this matter at a recent Armed Forces Policy Council meeting.

B. Noted that the Senior Staff had circulated a paper on NSC 114/68 (Basic US Policy on the Soviet Union), which had now become NSC 135, and stated that while this paper required some redrafting our interest had been protected. Mr. Dulles also noted that the implementation of NSC 135 would be discussed by the members of the Steering Committee on 20 August.

25X1 C. Noted that he was seeing [ ] immediately after today's 25X1 Deputies' Meeting to discuss a certain subject and, after some discussion wherein the Director noted that he had a close friend who could get to [ ] and to whom [ ] would listen, it was agreed that [ ] should go ahead with this 25X1 case since he was already involved.

Mr. Wolf:

A. Briefly reported on a call he had received from Mr. Broadbent of the Bureau of the Budget concerning our acquisition of the Navy Building and suggested that he informally discuss this matter with Deputy Secretary Foster.

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Mr. Wolf (Cont'd)

The DCI approved and stated that after DD/A had completed the above discussion Mr. Wolf then discuss this problem in a formal session with Mr. Foster and Mr. Lawton of the Bureau of the Budget since it was apparent that nothing could be accomplished on any other level.

B. Noted that the Chief of Transportation had advised him that he would be able to recommend to CIA in a few days a top-level officer to head our Transportation Division. In this connection, the Director noted that he intended to call Gen. Larkin and ask if he could furnish us a well-qualified supply officer.

Mr. Wisner:

A. Noted that Col. J. C. King had returned from his trip and, while he had nothing spectacular to report, he was preparing the highlights of his trip. In this connection, he noted that Col. King had reported that [REDACTED]

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[REDACTED] In connection with our activities [REDACTED] the Director stated that we had not made as much progress there as he had hoped for and he still desired that qualified people be assigned on the ground and who would have area responsibility. He also stated that additional work therefore was needed on the organizational side and we were attempting to do too much from the desk level at Headquarters.

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B. Noted that [REDACTED] was desirous of discussing a psychological warfare program [REDACTED] and he believed that this program was quite extensive. Mr. Dulles stated that we should advise [REDACTED] any activities he had in mind along these lines should come to us through the Department of State and when received we would, of course, give such proposals due consideration.

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C. Noted that (1) he had received a request from [REDACTED] that he be placed on a LWOP status after he had used the remainder of his sick and annual leave; (2) [REDACTED] had indicated a desire to continue with the Agency after he had recovered from his illness. The Director stated that his leave request was approved. In connection with his offer to continue with the Agency, the DCI stated he would take this under consideration and would be discussed at a later date.

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D. Referred to the DCI's reply to [REDACTED] and stated that the desk here was not entirely to blame in this case. The Director stated that he was aware of this; however, it was necessary for Headquarters to consider the recommendations of our people in the field, so advise them that such recommendations had been considered and further there was a tendency on the part of Headquarters not to keep our officers in the field fully informed as to the decisions made here.

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Mr. Wisner (Cont'd.)

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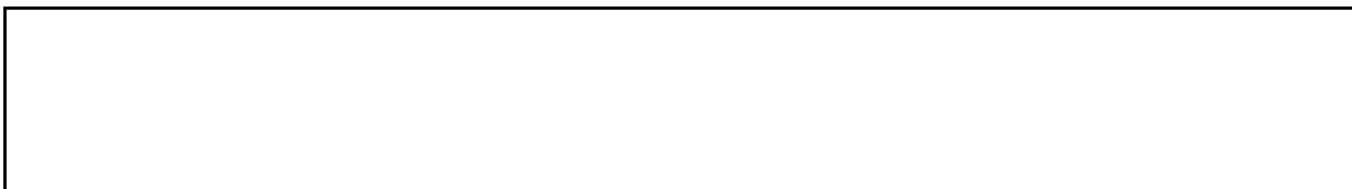
25X1 E. Referred to a cable from the [redacted] outlining his recommendations as to U.S. overt and covert policy [redacted] and suggested that pertinent portions of this cable be made available to State. After some discussion, the Director stated he would consider this after he had opportunity to read the cable in question. 25X1



Mr. Becker:

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A. Noted that the release on the FTC Report did not pin point CIA.



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